FIS

DRY FREIGHT WEEKLY REPORT

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FFA Market

Against the backdrop of reduced chartering activity due to the Chinese holiday, the FFA market trended weaker amid volatility, though it remained at relatively elevated levels overall. At the start of the week, the curve shifted slightly lower overall, with the November contract trading at one point at $39,500/day, down nearly $700/day from the previous week's close; the Cal27 contract changed hands multiple times at the $32,000/day level. As trading progressed, the market staged a moderate rebound, and the November contract had recouped its losses by the close, finally trading at $40,350/day. In early trading on Tuesday, extending the momentum seen before the previous session's close, the front October and November contracts quickly rallied to $39,000/day and $41,000/day, but were promptly capped by selling pressure, with prices continuing to weaken. Although sporadic buying interest emerged during the decline, the trend did not reverse, with the October contract ultimately closing at $37,000/day, posting significant intraday volatility and a decline of $1,750/day. The back end of the curve was largely flat, with the Cal27 contract falling only $100/day on the day. After the opening on Wednesday, front contracts extended their decline, with the October contract seeing heavy volumes at the $36,700/day level; buyers subsequently entered and continued to push prices higher after the index release, with the market closing at the intraday high and the front end of the curve largely recouping the previous day's losses. Entering the latter half of the week, the Capesize market continued its sharply volatile pattern of rallying and then retreating. Even on Friday, which is typically relatively quiet, heavy selling pressure drove prices sharply lower, but buying support re-emerged before the close. This week, Capesize and Panamax volumes stood at 37,880 lots and 24,975 lots, respectively, while Supramax and Handysize volumes came in at 12,020 lots and 580 lots, respectively. Total weekly trading volume reached 75,455 lots.

The Capesize options market continued to see active trading following the sharp volatility in the FFA market, with a total of 2,675 lots traded during the week. Trading was mainly concentrated in monthly contracts for Q4 26, among which October contracts accounted for 740 lots, November contracts 575 lots, and December contracts 880 lots. In terms of the put/call ratio, the overall ratio stood at 0.375, indicating that the market tone remained predominantly driven by bullish long positions, particularly as the prompt October contracts consisted entirely of call options. However, during the rapid decline in the futures market last Friday, there was a degree of shift in market positioning, with November and December contracts each trading 250 lots of put options intraday, suggesting that investors adopted a more defensive strategy ahead of the weekend. Panamax options saw a surge in volume last week, totalling 2,560 lots, of which Cal27 contracts accounted for 2,520 lots, comprising 1,080 lots of put options and 1,440 lots of call options, indicating an overall standoff between bulls and bears.

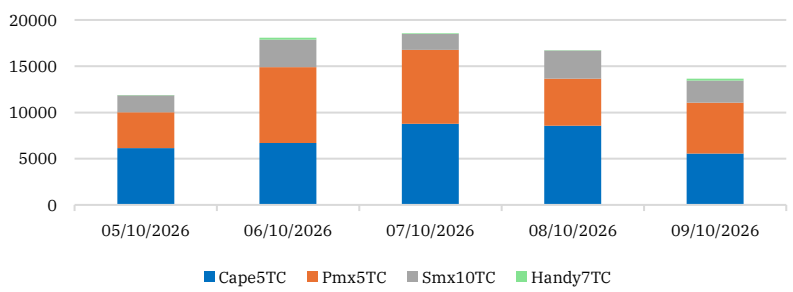
Trading activity on iron ore-related routes remained active. Last week, all transactions were concentrated on the C5 route, primarily in Q1 27 contracts. Early in the week, a small volume was transacted on the C5 route, including 100kt in October contracts and 15kt in December contracts. Entering midweek, 235kt and 600kt were transacted successively in Q1 contracts. Total trading volume for the week reached 2,620kt.

As of 11 October, open interest for Capesize 5TC (180) stood at 176,414 lots, up 6,205 lots week-on-week, Panamax 5TC at 181,366 lots, up 7,551 lots week-on-week, and Supramax 10TC at 103,314 lots, up 4,786 lots week-on-week.

Freight Rate $/day

	12-Oct	05-Oct	Changes %
Capesize5TC (180)	34,115	40,330	**-15.4%**
Panamax5TC	21,888	21,273	**2.9%**
Supramax10TC	20,989	20,586	**2.0%**
Handy7TC	17,970	18,067	**-0.5%**

Weekly FFA Futures Volume/days



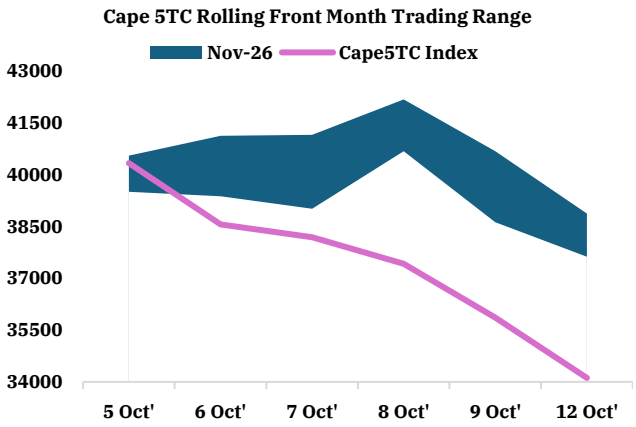
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA $/day	12-Oct FIS Closing	05-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD High	2026 YTD Low
Capesize5TC Nov 26	37,825	40,350	**-6.3%**	42,175	37,625	48,000	35,250
Capesize5TC Q1 27	28,625	29,500	**-3.0%**	30,125	28,625	33,100	18,875
Panamax5TC Nov 26	21,000	21,400	**-1.9%**	22,325	21,050	25,250	19,375
Panamax5TC Q1 27	17,625	17,400	**1.3%**	18,125	17,125	18,950	12,750
Supramax10TC Nov 26	20,200	20,050	**0.7%**	21,050	19,525	22,350	18,375
Supramax10TC Q1 27	16,350	15,900	**2.8%**	16,600	15,600	16,925	11,000

Capesize

Over the past week, affected by the Chinese market holiday, chartering activity slowed, and Capesize freight rates retreated from elevated levels amid volatility. In particular, the Atlantic route saw a significant decline in freight rates, as relatively slow tonnage turnover led to a sharp increase in ballasting vessels. The C14 route fell by more than 15% over the week and has accumulated a decline of nearly $10,000/day since the end of September. Reduced cargo volumes also exerted some pressure on freight rates: Brazilian iron ore shipments fell year-on-year due to poor netbacks, while West African bauxite shipments also declined amid previously elevated freight rates. In contrast, the Pacific route demonstrated relatively strong resilience after its earlier decline, with stable volumes of Australian iron ore and coal shipments providing support to prices.



Outlook

The Capesize market has recently shown weaker performance, mainly dragged down by the Atlantic route. However, as seaborne freight rates decline, iron ore shipments from Brazil and West Africa are expected to recover. West Africa was affected by heavy rainfall in late September, disrupting its shipment pace; as the weather impact eases, loading capacity at mining areas is gradually recovering. Nevertheless, with a large number of ballasting vessels currently in the Atlantic region, the market still needs time to rebalance, suppressing potential upside. At the same time, affected by persistently weak fundamentals in the Chinese market, iron ore prices have fallen to a near two-year low. Coupled with competitive pressure from the Simandou project, Brazilian iron ore shipments in Q4 are unlikely to show notable improvement, posing a bearish factor for the Atlantic route.

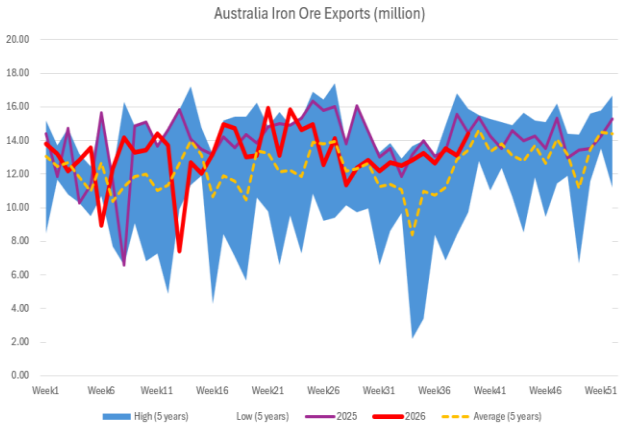
On new vessel deliveries, according to Kpler forecasts, Capesize deliveries in Q4 26 are projected at 2.35mn dwt, higher than the 1.78mn dwt recorded in the same period last year, though delivery delays remain above those of other dry bulk vessel types. Full-year 2026 Capesize deliveries are expected to total 8.75mn dwt, with a delivery delay rate exceeding 20% compared with scheduled deliveries at the beginning of the year.

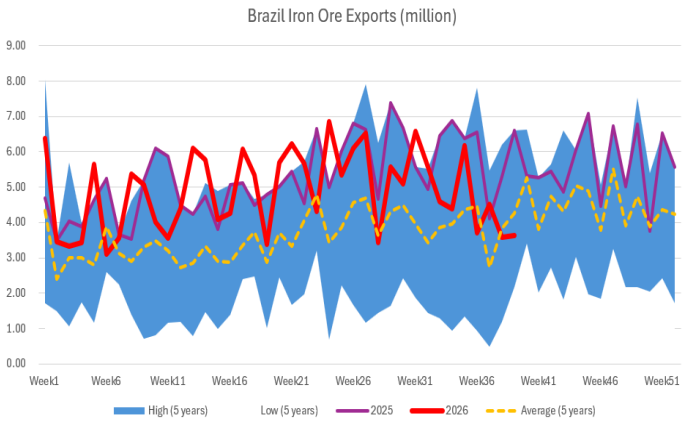
Neutral

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

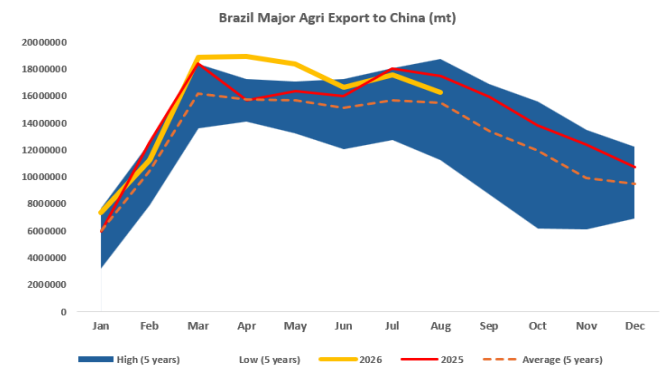
Export (million tonnes)	Sep-26	Oct-26(E)	Q3-25	Q3-26	Q4-25	Q4-26(E)	2025	2024	2023
Australia	82.0	82.8	240.8	238.3	250.6	245.9	951.2	941.7	925.2
Brazil	34.0	35.2	106.6	108.0	113.9	108.8	396.7	389.6	363.1
South Africa	4.6	4.2	13.7	14.4	12.4	11.4	53.2	52.2	50.8
India	1.2	1.7	4.3	5.7	8.0	5.4	28.0	40.3	41.8
Canada	5.8	5.7	17.8	16.2	15.8	15.0	60.3	60.4	57.0
Global	148.7	161.6	443.4	458.2	464.7	467.7	1732.2	1716.5	1642.6

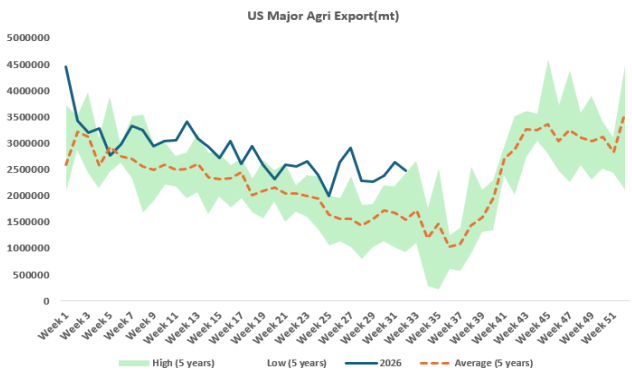




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	14.38	13.12	+1.26	14.3	14.0	+2.4%
Brazil-China	3.64	3.59	+0.05	34.9	39.0	-10.5%

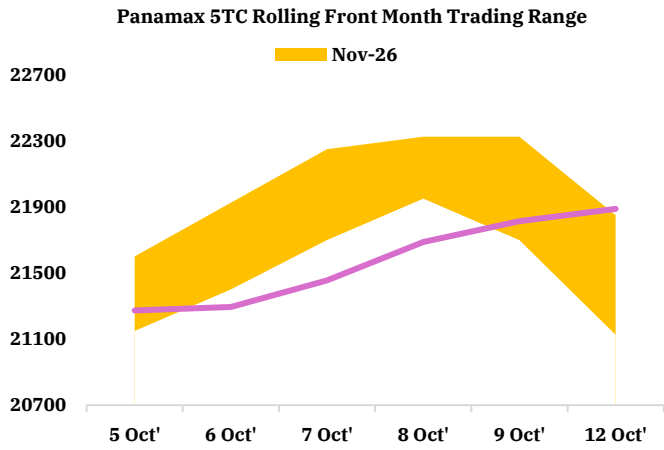




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs spiked and then faded last week, in line with prior expectations. The market remains wary of chasing highs, with pullbacks following each approach to a stage high. The front-month contract's trading range widened modestly to $21,125–22,325/day, compared with $22,325–23,050/day the prior week, while volume contracted sharply due to the National Day holiday. The backwardation structure of the forward curve narrowed, suggesting a softening market, though the overall structure remains constructive. In the options market, heavy call and put volumes were seen on 2027 contracts, implying that 2027 valuations may be approaching a fair level and attracting investor interest across differing views.



Outlook

The Panamax index rebounded last week, supported by increased Southeast Asian coal cargoes and elevated oil prices. Mainstream FOB offers for Indonesian Q3800 Panamax cargoes are on the high side, with miners showing a strong willingness to hold prices. The Atlantic market strengthened throughout the week, with increased transatlantic demand helping absorb tonnage and improve sentiment. South American grain cargoes operated steadily, with freight rates fluctuating modestly on support from high international bunker prices. Higher US Gulf grain volumes supported Atlantic rate upside. Panama Canal transit restrictions continued to provide structural tonne-mile support. Daily coal consumption at China's major coastal power groups declined, leaving imported coal demand relatively weak. However, limited Mongolian border clearance recently, combined with Daqin Railway maintenance, may support China's imported coal demand. Indian coal-fired power plant inventories have fallen by about 70% from early April, with nearly half of plants holding less than four days of cover. India may increase seaborne thermal coal purchases from Q4 26, intensifying competition for Asian thermal coal supply and providing bullish support to Panamax tonnage demand.

As high bunker costs favour the operating efficiency of larger vessels, Capesizes have increased their share of the Australian coal trade, taking market share from Kamsarmaxes. However, Capesize tonnage may increase in Q4, easing the tonnage absorption from long-haul Brazil and Africa voyages.

Geopolitical conflict around the Black Sea persists, with the US failing last week to broker a Russia-Ukraine ceasefire as expected. De-escalation in the Black Sea would likely redirect grain vessel demand and weigh on tonne-miles.

Neutral

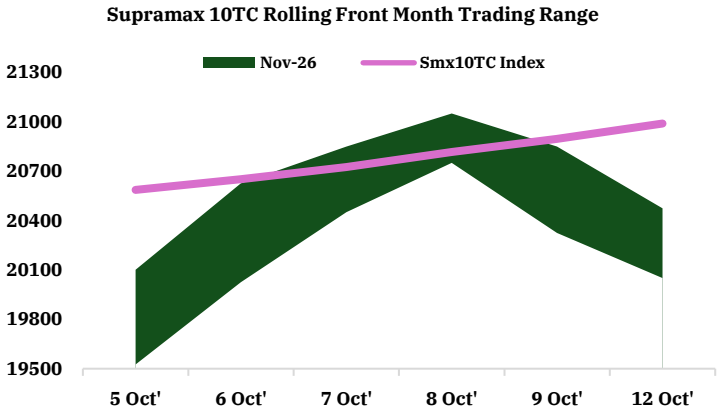
Dry Bulk Trades/Coal

Export (million tonnes)	Aug-26	Sep-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	47.0	46.0	123.7	130.2	141.0	134.8	492.7	520.2	494.8
Australia	30.7	31.2	92.1	93.1	94.4	95.7	349.1	359.1	349.9
Russia	16.5	14.6	46.3	46.5	44.3	44.1	168.0	156.2	180.1
USA	6.7	7.2	18.9	21.6	19.0	22.0	78.3	86.3	81.2
Colombia	3.0	3.0	10.5	9.6	10.7	8.0	41.3	50.8	47.5
South Africa	5.2	5.5	13.2	15.9	15.3	17.9	61.6	59.0	59.2
Others	11.7	9.6	28.6	36.8	24.8	32.9	111.7	120.9	126.8
Global	120.8	117.0	333.3	353.7	349.5	355.3	1302.7	1352.4	1339.5

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Supramax

S10TC FFAs traded in a choppy fashion but strengthened over the week. The front-month contract traded in a range of $19,525–20,850/day, significantly wider than $21,200–22,075/day the prior week. Volume contracted sharply due to the National Day holiday. In terms of the term structure, backwardation narrowed slightly. A small amount of put buying emerged in the options market, with overall sentiment yet to coalesce into a clear direction.



Outlook

The Supramax index remains firm, supported by Chinese steel exports, rising Indian coal demand and stable Philippine nickel ore exports, with prompt tonnage tight, particularly in the Pacific. Falling water levels on Kalimantan rivers have disrupted barge transport, and drought-induced draft restrictions favour smaller vessels, making Supramaxes increasingly competitive with Panamaxes in Indonesian coal shipments. West African bauxite exports continue to hit record highs, with regional bauxite movements boosting demand for smaller vessels.

Neutral

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